

**Fiscal Programs - Comptroller of Public Accounts  
Summary of Recommendations - House**

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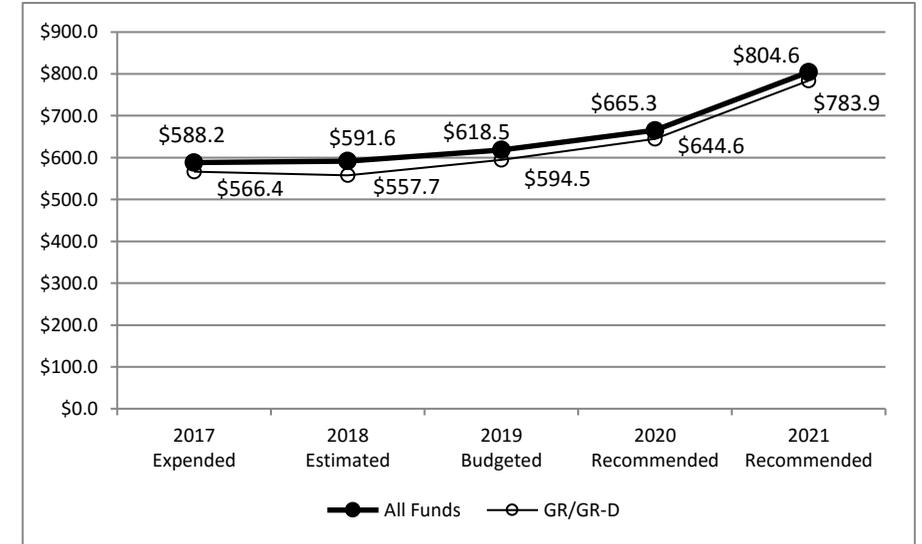
The Honorable Glenn Hegar, Comptroller of Public Accounts

Lena Conklin, LBB Analyst

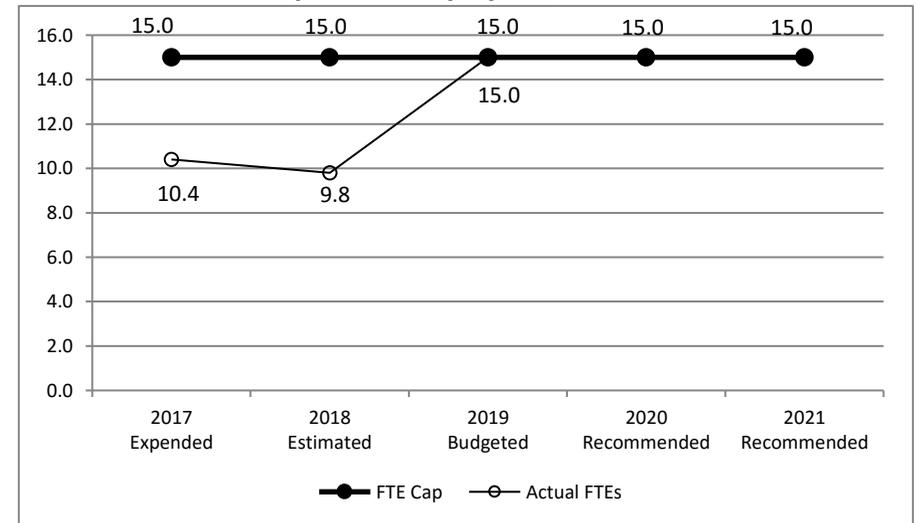
<b>Method of Financing</b>	<b>2018-19 Base</b>	<b>2020-21 Recommended</b>	<b>Biennial Change (\$)</b>	<b>Biennial Change (%)</b>
General Revenue Funds	\$1,124,620,961	\$1,388,864,007	\$264,243,046	23.5%
GR Dedicated Funds	\$27,516,913	\$39,642,582	\$12,125,669	44.1%
<i>Total GR-Related Funds</i>	<i>\$1,152,137,874</i>	<i>\$1,428,506,589</i>	<i>\$276,368,715</i>	<i>24.0%</i>
Federal Funds	\$27,361,536	\$26,817,812	(\$543,724)	(2.0%)
Other	\$30,566,112	\$14,600,000	(\$15,966,112)	(52.2%)
<b>All Funds</b>	<b>\$1,210,065,522</b>	<b>\$1,469,924,401</b>	<b>\$259,858,879</b>	<b>21.5%</b>

	<b>FY 2019 Budgeted</b>	<b>FY 2021 Recommended</b>	<b>Biennial Change</b>	<b>Percent Change</b>
FTEs	15.0	15.0	0.0	0.0%

**Historical Funding Levels (Millions)**



**Historical Full-Time-Equivalent Employees (FTEs)**



The bill pattern for this agency (2020-21 Recommended) represents an estimated 37.4% of the agency's estimated total available funds for the 2020-21 biennium.

**Fiscal Programs - Comptroller of Public Accounts  
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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***SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):***

A)	Increase in mixed beverage tax disbursements.	\$47.4	\$0.0	\$0.0	\$0.0	\$47.4	A.1.2
B)	Decrease in unclaimed property claim payments.	(\$25.0)	\$0.0	\$0.0	\$0.0	(\$25.0)	A.1.6
C)	Increase in disabled veteran assistance payments to cities and counties.	\$13.5	\$0.0	\$0.0	\$0.0	\$13.5	A.1.13
D)	Payment of unfunded obligations of the Guaranteed Tuition Plan.	\$229.0	\$0.0	\$0.0	\$0.0	\$229.0	A.1.12

***OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):***

E)	Decrease in estimated miscellaneous and wrongful imprisonment claim payments.	(\$2.0)	(\$0.1)	(\$0.0)	(\$16.0)	(\$18.1)	A.1.1
F)	Increase in estimated payment of county taxes of University of Texas endowment lands.	\$1.3	\$0.0	\$0.0	\$0.0	\$1.3	A.1.4
G)	Increase in estimated distributions of truck permit fees for excess weight to counties.	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1	A.1.10
H)	Increase for projected repayment of LoanSTAR loans and overall decrease in Federal Funds for the State Energy Conservation Office.	\$0.0	\$12.2	(\$0.5)	\$0.0	\$11.7	B.1.1, B.1.2, and B.1.3

	<b>TOTAL SIGNIFICANT &amp; OTHER Funding Changes and Recommendations (in millions)</b>	<b>\$264.2</b>	<b>\$12.1</b>	<b>(\$0.5)</b>	<b>(\$16.0)</b>	<b>\$259.9</b>	As Listed
	<i>SIGNIFICANT &amp; OTHER Funding Increases</i>	\$291.3	\$12.2	\$0.0	\$0.0	\$303.5	As Listed
	<i>SIGNIFICANT &amp; OTHER Funding Decreases</i>	(\$27.0)	(\$0.1)	(\$0.5)	(\$16.0)	(\$43.6)	As Listed

NOTE: Totals may not sum due to rounding.

**Fiscal Programs - Comptroller of Public Accounts  
Selected Fiscal and Policy Issues - House**

1. **Mixed Beverage Tax Disbursements.** Recommendations of \$492.9 million in General Revenue funds in Strategy A.1.2, Reimburse – Beverage Tax, reflect the Comptroller’s estimate for disbursements of mixed beverage tax revenues to cities and counties. The disbursements are required by Section 185.051 of the Tax Code. The section requires no less than 10.7143 percent of revenues from the mixed beverage gross receipts tax and mixed beverage sales tax to be disbursed to counties where the receipts were collected and an additional 10.7143 percent of revenues to be disbursed to incorporated municipalities where the receipts were collected. Recommendations direct the Comptroller to reimburse at the minimum rate required by statute (i.e. 10.7143 percent).
  
2. **Unclaimed Property Claim Payments.** Recommendations provide an estimated total of \$550 million in General Revenue funds for payment of unclaimed property claims, reflecting a decrease of \$25 million from the current biennium. Payment of unclaimed property claims is required under Section 74.501, Property Code. Unclaimed property remitted to the state by businesses, financial institutions and governmental entities typically come in the form of forgotten bank accounts, insurance proceeds, uncashed checks, security deposits and utility refunds. While payment of claims generally increase year to year, the agency is estimating a decrease in the upcoming biennium. According to the agency, the agency’s outreach efforts and claim processes have not changed to account for a decrease in claims; the payment of claims is citizen-driven.
  
3. **Disabled Veteran Assistance Payments.** Recommendations provide a total of \$20 million in General Revenue funds for payment of disabled veteran assistance payments to qualified cities and counties, reflecting an increase of \$13.5 million from the current biennium. Pursuant to Section 140.011, Local Government Code, certain cities and counties are entitled to the payments. To qualify for a payment, a local government must be a municipality adjacent to a U.S. military installation or a county in which a U.S. military installation is wholly or partially located. Additionally, the municipality’s or county’s amount of lost property tax revenue from the 100 percent or totally disabled veteran residence homestead exemption under Section 11.131, Tax Code, must be an amount equal to or greater than 2 percent of the local government’s general fund revenue. The qualifying local government is entitled to a payment equal to lost property tax revenue less one percent of the entity’s general fund revenue. Recommendations reflect the agency’s request and estimate for payments. The table below identifies the payments made to cities and counties from fiscal year 2016 to fiscal year 2018. According to the agency, the estimated increase in the 2020-21 biennium is driven by an increase in home values.

**Figure 1.** Disabled Veteran Assistance Payments to Cities and Counties

	<b>FY 2016 Requested</b>	<b>FY 2016 Expended</b>	<b>FY 2017 Requested</b>	<b>FY 2017 Expended</b>	<b>FY 2018 Requested</b>	<b>FY 2018 Expended</b>
Bell County	\$1,496,833	\$1,152,717	\$2,129,510	\$1,166,282	\$2,932,379	\$1,505,646
City of Copperas Cove	\$1,088,820	\$838,477	\$473,723	\$259,447	\$598,920	\$307,519
City of Killeen	\$402,945	\$310,299	\$1,648,696	\$902,952	\$2,369,230	\$1,216,494
Coryell County	\$257,776	\$198,508	\$312,810	\$171,319	\$429,136	\$220,342
	<b>\$3,246,374</b>	<b>\$2,500,000</b>	<b>\$4,564,739</b>	<b>\$2,500,000</b>	<b>\$6,329,665</b>	<b>\$3,250,000</b>

Source: Comptroller of Public Accounts

4. **Texas Guaranteed Tuition Plan.** Recommendations include a new line-item for payment of contract obligations of the Texas Guaranteed Tuition Plan for an estimated \$229.0 million in General Revenue funds. The plan, also known as the Texas Tomorrow Fund, is expected to run out of cash and switch to pay-as-you-go in fiscal year 2020. Article 7, Section 19 of the Texas Constitution provides authority for the Comptroller to pay benefits “out of the first money coming into the state treasury in each fiscal year not otherwise appropriated by the constitution”. Because the plan is guaranteed by the State and does not require an appropriation for payment of benefits, the Comptroller did not request funding for this purpose and has recognized an estimated transfer of \$211.0 million in the 2020-21 Biennial Revenue Estimate. The table below identifies the General Revenue estimated to be required in each fiscal year for the duration of the remaining contracts of the plan. The estimates are based on the plan’s fiscal year 2018 Actuary’s Report on Program Soundness. Please note that the recommended funding of \$229.0 million may be revised down to \$211.0 million based on the more recent estimates.

**Figure 2.** Texas Guaranteed Tuition: Pay-As-You-Go (PAYG) Annual Benefit Payments

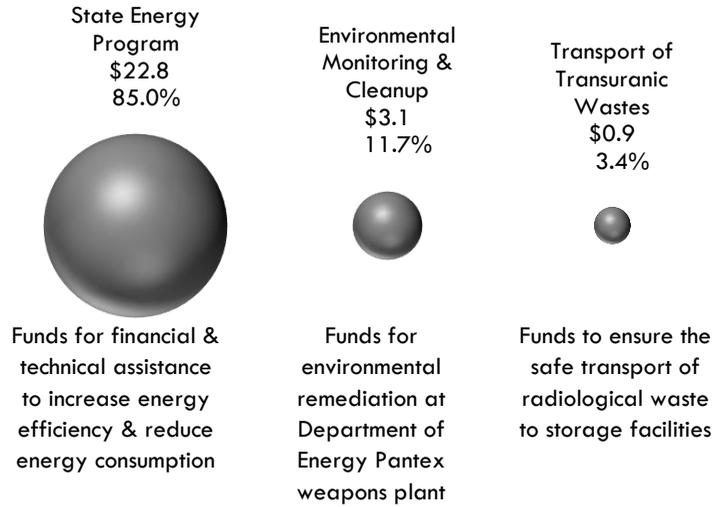
	<b>PAYG Estimate by Fiscal Year</b>	<b>Biennial PAYG Estimate</b>	<b>Change from Previous Biennium</b>
2020	\$11,304,897		
2021	\$199,676,262	\$210,981,159	\$210,981,159
2022	\$177,004,086		
2023	\$125,568,739	\$302,572,825	\$91,591,666
2024	\$82,452,540		
2025	\$54,868,937	\$137,321,477	(\$165,251,348)
2026	\$26,478,368		
2027	\$4,544,622	\$31,022,990	(\$106,298,487)
2028	\$2,132,982		
2029	\$1,601,749	\$3,734,731	(\$27,288,259)
2030	\$1,419,093		
2031	\$1,161,354	\$2,580,447	(\$1,154,284)
2032	\$1,008,681		
2033	\$761,489	\$1,770,170	(\$810,277)
2034	\$553,362		
2035	\$379,771	\$933,133	(\$837,037)
2036	\$227,425		
2037	\$188,055	\$415,480	(\$517,653)
2038	\$99,975		
2039	\$0	\$99,975	(\$315,505)
	<b>\$691,432,387</b>		

Source: Comptroller of Public Accounts and 2018 Actuary’s Report on the TGTP

**Fiscal Programs - Comptroller of Public Accounts**

Summary of Federal Funds (2020 - 21)

**Total \$26.8M**



Funds for financial & technical assistance to increase energy efficiency & reduce energy consumption

Funds for environmental remediation at Department of Energy Pantex weapons plant

Funds to ensure the safe transport of radiological waste to storage facilities

**Selected Federal Fiscal and Policy Issues**

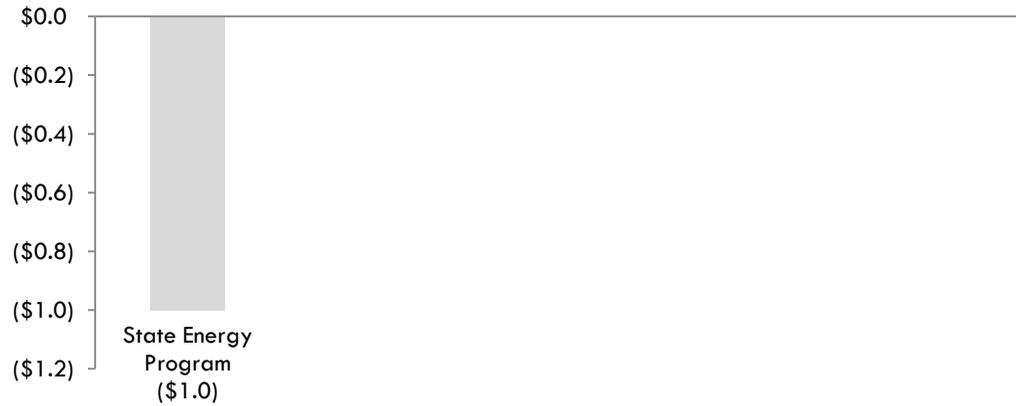
The State Energy Program has two components: (1) the formula grant to promote energy efficiency, and (2) the LoanSTAR Revolving Loan Program, which provides energy efficiency loans to state and local entities on a reimbursement basis.

The State Energy Program reflects a decrease of approximately \$1.0 million in the 2020-21 biennium compared to 2018-19.

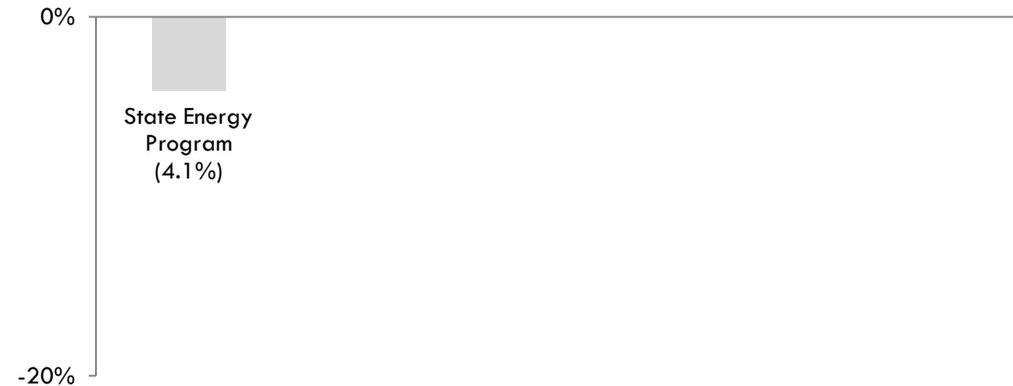
This change reflects an agency decision to decrease program expenditures from the federal grant due to an anticipated decrease to the state's federal award in the 2020-21 biennium.

Programs with Federal Funding Changes from 2018 - 19

**Program Change-by Amount  
(In Millions)**



**Program Change-by Percentage**



**Fiscal Programs - Comptroller of Public Accounts  
Rider Highlights - House**

**Modification of Existing Riders**

9. **Oil Overcharge Settlement Funds.** Recommendations update estimated revenue and estimated depository interest allocated for programs specified in the rider based on recommended funding levels out of the General Revenue-Dedicated Oil Overcharge Account No. 5005 in Strategy B.1.1, Energy Office, and Strategy B.1.2, Oil Overcharge Settlement Funds.
10. **Department of Energy (DOE) Federal Funds.** Recommendations update Federal Funds amounts anticipated for the Pantex and State Energy Programs to align with recommended funding levels included in Strategy B.1.1, Energy Office, and Strategy B.1.3, Federal Funds.
15. **Disabled Veteran Assistance Payments.** Recommendations revise amounts for disabled veteran assistance payments to align with recommended funding levels in Strategy A.1.13, Disabled Veteran Assistance Payments.
18. **Report on Local Continuing Education Allocations.** Revise rider to reference the program distributions to local law enforcement agencies as “allocations” rather than “grants”. The distributions are required by statute and are based on statutory formula in Section 1701.157, Occupations Code.

**New Riders**

20. **Appropriation for Payment of Obligations of the Texas Guaranteed Tuition Plan.** Add rider referencing the funding level and constitutional and statutory authority for General Revenue appropriations to the Texas Tomorrow Fund for payment of obligations of the Guaranteed Tuition Plan.

**Deleted Riders**

9. **Investment Fund Manager.** Rider pertains to funding of the Safekeeping Trust Company. The company is funded through investment earnings and fees rather than appropriations. Rider is not needed.

**Fiscal Programs - Comptroller of Public Accounts  
Appendices - House**

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\* Appendix is not included - no significant information to report

**Fiscal Programs - Comptroller of Public Accounts**  
**Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
MISCELLANEOUS CLAIMS A.1.1	\$44,109,670	\$26,000,000	(\$18,109,670)	(41.1%)	Recommendations include an estimated \$26 million in General Revenue funds for payment of miscellaneous and wrongful imprisonment claims, reflecting a decrease of \$2.0 million in General Revenue funds, \$0.1 million in General Revenue-Dedicated funds, and \$16.0 million in Other Funds. Recommendations reflect the agency's request and estimate for payment of claims.
REIMBURSE - BEVERAGE TAX A.1.2	\$445,467,000	\$492,855,000	\$47,388,000	10.6%	Recommendations include an increase of \$47.4 million in General Revenue funds for distribution of 10.7143 percent of mixed beverage gross receipts tax and sales tax receipts to cities and counties. The increase is due to growth of mixed beverage tax revenues. Recommendations reflect the agency's request and estimate for disbursements.
JUDGMENTS AND SETTLEMENTS A.1.3	\$1,500,000	\$1,500,000	\$0	0.0%	
COUNTY TAXES - UNIVERSITY LANDS A.1.4	\$14,434,483	\$15,747,708	\$1,313,225	9.1%	Recommendations reflect an estimated increase of \$1.3 million in General Revenue funds for payment of county taxes on University of Texas endowment lands. The estimated increase is largely driven by oil and gas production and prices and local tax rates. Recommendations reflect the agency's request and estimate for payments.
LATERAL ROAD FUND DISTRICTS A.1.5	\$14,600,000	\$14,600,000	\$0	0.0%	
UNCLAIMED PROPERTY A.1.6	\$575,000,000	\$550,000,000	(\$25,000,000)	(4.3%)	Recommendations reflect an estimated decrease of \$25 million for payment of unclaimed property claims. Recommendations reflect the agency's request and estimate of claim payments.
LAW ENFORCEMENT EDUCATION FUNDS A.1.7	\$12,000,000	\$12,000,000	\$0	0.0%	
ADVANCED TAX COMPLIANCE A.1.8	\$13,943,648	\$13,943,648	\$0	0.0%	
SUBSEQUENT CVC CLAIMS A.1.9	\$50,000	\$50,000	\$0	0.0%	

**Fiscal Programs - Comptroller of Public Accounts  
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

<b>Strategy/Goal</b>	<b>2018-19 Base</b>	<b>2020-21 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>	<b>Comments</b>
GROSS WEIGHT/AXLE FEE DISTRIBUTION A.1.10	\$33,905,550	\$34,000,000	\$94,450	0.3%	Recommendations reflect an increase in General Revenue funds for statutorily-required disbursement of truck permit fees for excess weight, pursuant to Section 621.353 of the Transportation Code. Recommendations reflect the agency's request and estimate for disbursements.
HABITAT PROTECTION FUND A.1.11	\$5,000,000	\$5,000,000	\$0	0.0%	
TEXAS GUARANTEED TUITION PLAN A.1.12	\$0	\$228,981,157	\$228,981,157	100.0%	Recommendations include General Revenue funding of an estimated \$229.0 million for payment of benefits of the Guaranteed Tuition Plan due to depletion of cash in the Texas Tomorrow Fund. Estimates are based on the 2017 Actuary's Report of the plan.
DISABLED VETERAN ASSIST PAYMENTS A.1.13	\$6,500,000	\$20,000,000	\$13,500,000	207.7%	Recommendations reflect a \$13.5 million General Revenue increase for disabled veteran assistance payments to qualified cities and counties. Pursuant to Section 140.011, Local Government Code, certain cities and counties are entitled to payments equal to lost property tax revenue from the granting of exemptions to 100 percent disabled veterans or their surviving spouses, less one percent of the city's or county's general fund revenue. Recommendations reflect the agency's request and estimate for payments.
<b>Total, Goal A, CPA - FISCAL PROGRAMS</b>	<b>\$1,166,510,351</b>	<b>\$1,414,677,513</b>	<b>\$248,167,162</b>	<b>21.3%</b>	
ENERGY OFFICE B.1.1	\$3,503,747	\$4,016,141	\$512,394	14.6%	Recommendations reflect an increase of \$0.4 million in General Revenue-Dedicated Oil Overcharge Account No. 5005 reflecting additional energy assessments related to increased SECO loan activity. Recommendations also reflect an increase of \$0.1 million in Federal Funds for transportation and monitoring of low-level waste.

**Fiscal Programs - Comptroller of Public Accounts  
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

<b>Strategy/Goal</b>	<b>2018-19 Base</b>	<b>2020-21 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>	<b>Comments</b>
OIL OVERCHARGE SETTLEMENT FUNDS B.1.2	\$14,687,735	\$26,473,258	\$11,785,523	80.2%	Recommendations reflect an increase of \$11.8 million in General Revenue-Dedicated Oil Overcharge Account No. 5005 and is based on the agency's estimates of depository interest and LoanSTAR loan repayments.
FEDERAL FUNDS B.1.3	\$25,363,689	\$24,757,489	(\$606,200)	(2.4%)	Recommendations reflect a decrease of \$5.0 million in Federal Funds for the State Energy Program due to reduced grants to local entities for energy efficiency projects. This decrease is offset by an increase of \$0.3 million in Federal Funds allocated for grants related to the transportation and monitoring of low-level waste and an increase of \$4.1 million from the repayment of LoanSTAR loans.
<b>Total, Goal B, ENERGY OFFICE</b>	<b>\$43,555,171</b>	<b>\$55,246,888</b>	<b>\$11,691,717</b>	<b>26.8%</b>	
<b>Grand Total, All Strategies</b>	<b>\$1,210,065,522</b>	<b>\$1,469,924,401</b>	<b>\$259,858,879</b>	<b>21.5%</b>	

**Fiscal Programs - Comptroller of Public Accounts**  
**Summary of Federal Funds - House**  
(Dollar amounts in Millions)

Appendix B

<b>Program</b>	<b>Est 2018</b>	<b>Bud 2019</b>	<b>Rec 2020</b>	<b>Rec 2021</b>	<b>2018-19 Base</b>	<b>2020-21 Rec</b>	<b>2020-21 Rec % Total</b>	<b>Recommended Over/(Under) Base</b>	<b>% Change from Base</b>
State Energy Program	\$9.00	\$14.75	\$11.39	\$11.39	\$23.8	\$22.8	85.0%	(\$1.0)	(4.1%)
Environmental Monitoring & Clean-up	\$1.4	\$1.5	\$1.6	\$1.6	\$2.9	\$3.1	11.7%	\$0.3	9.6%
Transport of Transuranic Wastes	\$0.3	\$0.5	\$0.5	\$0.5	\$0.7	\$0.9	3.4%	\$0.2	21.3%
<b>TOTAL:</b>	<b>\$10.7</b>	<b>\$16.7</b>	<b>\$13.4</b>	<b>\$13.4</b>	<b>\$27.4</b>	<b>\$26.8</b>	<b>100.0%</b>	<b>(\$0.5)</b>	<b>(2.0%)</b>

**Fiscal Programs - Comptroller of Public Accounts  
FTE Highlights - House**

<b>Full-Time-Equivalent Positions</b>	<b>Expended 2017</b>	<b>Estimated 2018</b>	<b>Budgeted 2019</b>	<b>Recommended 2020</b>	<b>Recommended 2021</b>
Cap	15.0	15.0	15.0	15.0	15.0
Actual/Budgeted	10.4	9.8	15.0	NA	NA

**Schedule of Exempt Positions (Cap)**

None.

Notes:

a) Fiscal years 2017 and 2018 actual FTE figures are less than the FTE cap primarily due to staff vacancies and turnover.

**Fiscal Programs - Comptroller of Public Accounts  
Summary of Ten Percent Biennial Base Reduction Options Recommendations - House**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs				
1)	1-1-2 Reimbursement - Beverage Tax	Collectively, the Unclaimed Property and Mixed Beverage Tax programs make up the bulk of the funds appropriated to the Comptroller's Fiscal Programs. The monies appropriated in the Mixed Beverage strategy are used to reimburse mixed beverage taxes to counties. Reimbursements are driven by receipts collected within the counties or incorporated municipalities. According to the agency, the reduction amount is needed to pay an estimated \$28.4 million in county mixed beverage reimbursements.	\$28,418,023	\$28,418,023	0.0	\$0	6%	\$492,855,000	No
2)	1-1-6 Unclaimed Property	Collectively, the Unclaimed Property and Mixed Beverage Tax programs make up the bulk of the funds appropriated to the Comptroller's Fiscal Programs. The monies appropriated in the Unclaimed Property strategy are used to return unclaimed assets to property owners. The majority of the recipients of these funds are citizens or local governments and payments are driven by claims requests. According to the agency, the reduction amount is needed to pay an estimated \$28.4 million in unclaimed property claims.	\$28,418,023	\$28,418,023	0.0	\$0	5%	\$550,000,000	No
3)	1-1-2 Reimbursement - Beverage Tax	Additional reduction in reimbursements to counties and incorporated municipalities from mixed beverage tax revenues.	\$28,418,023	\$28,418,023	0.0	\$0	6%	\$492,855,000	No
4)	1-1-6 Unclaimed Property	Additional reduction in unclaimed property payments.	\$28,418,024	\$28,418,024	0.0	\$0	5%	\$550,000,000	No
<b>TOTAL, 10% Reduction Options</b>			<b>\$113,672,093</b>	<b>\$113,672,093</b>	<b>0.0</b>	<b>\$0</b>			